

## Exhibit 2

**Form 1040** Department of the Treasury - Internal Revenue Service

**U.S. Individual Income Tax Return 2007**

<b>Label</b> (See instructions.)	For the year Jan 1 - Dec 31, 2007, or other tax year beginning			2007, ending	20	IRS Use Only -- Do not write or stamp in this space.
	Your first name <b>Neal</b>			MI	Last name <b>Hausam</b>	OMB No. 1545-0074
<b>Use the IRS label. Otherwise, please print or type.</b>	If a joint return, spouse's first name <b>A</b>			MI	Last name <b>Hausam</b>	Your social security number <b>8275</b>
	Home address (number and street). If you have a P.O. box, see instructions. <b>2054 Mousebird Ave. NW</b>			Apartment no.		Spouse's social security number
<b>Presidential Election Campaign</b>	City, town or post office. If you have a foreign address, see instructions. <b>Salem</b>			State ZIP code <b>OR 97304</b>	You must enter your social security number(s) above.	
						Checking a box below will not change your tax or refund.
<b>Filing Status</b>	1 <input checked="" type="checkbox"/> Single	2 <input type="checkbox"/> Married filing jointly (even if only one had income)	3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above & full name here . . . ►	4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here . . . ►	5 <input type="checkbox"/> Qualifying widow(er) with dependent child (see instructions)	<input type="checkbox"/> You <input type="checkbox"/> Spouse
Check only one box.						Boxes checked on 6a and 6b ..
<b>Exemptions</b>	6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a. <input type="checkbox"/> Spouse .....					No. of children on 6c who:
If more than four dependents, see instructions.						<ul style="list-style-type: none"> <li>• lived with you .....</li> <li>• did not live with you due to divorce or separation (see instrs) .....</li> </ul>
						Dependents on 6c not entered above .
						Add numbers on lines above .. ►
<b>Income</b>	d Total number of exemptions claimed .....					1
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.	7 Wages, salaries, tips, etc. Attach Form(s) W-2 .....					7
If you did not get a W-2, see instructions.	8a Taxable interest. Attach Schedule B if required. ....					8a
Enclose, but do not attach, any payment. Also, please use Form 1040-V.	b Tax-exempt interest. Do not include on line 8a. ....					9a
Adjusted Gross Income	9a Ordinary dividends. Attach Schedule B if required. ....					10
	b Qualified dividends (see instrs) .....					11
	10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) .....					12
	11 Alimony received .....					13
	12 Business income or (loss). Attach Schedule C or C-EZ. ....					14
	13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here .....					15b
	14 Other gains or (losses). Attach Form 4797 .....					16b
	15a IRA distributions .....					17
	16a Pensions and annuities .....					18
	17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E. ....					19
	18 Farm income or (loss). Attach Schedule F. ....					20b
	19 Unemployment compensation .....					21
	20a Social security benefits .....					22
	21 Other income <u>NET OPERATING LOSS - SEE STMT</u> .....					-43,953.
	22 Add the amounts in the far right column for lines 7 through 21. This is your total income ►					-66,331.
	23 Educator expenses (see instructions) .....					23
	24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ .....					24
	25 Health savings account deduction. Attach Form 8889. ....					25
	26 Moving expenses. Attach Form 3903 .....					26
	27 One-half of self-employment tax. Attach Schedule SE .....					27
	28 Self-employed SEP, SIMPLE, and qualified plans .....					28
	29 Self-employed health insurance deduction (see instructions) .....					29
	30 Penalty on early withdrawal of savings .....					30
	31a Alimony paid b Recipient's SSN .....					31a
	32 IRA deduction (see instructions) .....					32
	33 Student loan interest deduction (see instructions) .....					33
	34 Tuition and fees deduction. Attach Form 8917. ....					34
	35 Domestic production activities deduction. Attach Form 8903 .....					35
	36 Add lines 23 - 31a and 32 - 35 .....					36
	37 Subtract line 36 from line 22. This is your adjusted gross income .....					37

BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions

**EXHIBIT 2**

**Hausam 146**

Form 1040 2007		Neal A. Hausam		-3275 Page 2	
Tax and Credits		38 Amount from line 37 (adjusted gross income) .....		38	-66,331.
		39a Check <input checked="" type="checkbox"/> You were born before January 2, 1943, <input type="checkbox"/> Blind. Total boxes 1 If <input type="checkbox"/> Spouse was born before January 2, 1943, <input type="checkbox"/> Blind. checked ► 39a 1			
Standard Deduction for -		b If your spouse itemizes on a separate return, or you were a dual-status alien, see instrs and ck here ► 39b 1			
• People who checked any box on line 39a or 39b or who can be claimed as a dependent, see instructions.		40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) .....		40	38,334.
• All others:		41 Subtract line 40 from line 38 .....		41	-104,665.
Single or Married filing separately, \$5,350		42 If line 38 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 38 is over \$117,300, see the instructions .....		42	3,400.
Married filing jointly or Qualifying widow(er), \$10,700		43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0 .....		43	0.
Head of household, \$7,850		44 Tax (see instrs). Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/> Form(s) 8889 .....		44	0.
		45 Alternative minimum tax (see instructions). Attach Form 6251 .....		45	0.
		46 Add lines 44 and 45 .....		46	0.
Other Taxes		47 Credit for child and dependent care expenses. Attach Form 2441 .....		47	
		48 Credit for the elderly or the disabled. Attach Schedule R .....		48	
		49 Education credits. Attach Form 8863 .....		49	
		50 Residential energy credits. Attach Form 5695 .....		50	
		51 Foreign tax credit. Attach Form 1116 if required .....		51	
		52 Child tax credit (see instructions). Attach Form 8901 if required .....		52	
		53 Retirement savings contributions credit. Attach Form 8880 .....		53	
		54 Credits from: a <input type="checkbox"/> Form 8896 b <input type="checkbox"/> Form 8859 c <input type="checkbox"/> Form 8839 .....		54	
		55 Other credits: a <input type="checkbox"/> Form 8800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Form .....		55	
		56 Add lines 47 through 55. These are your total credits .....		56	
		57 Subtract line 56 from line 45. If line 56 is more than line 46, enter -0 .....		57	0.
Payments		58 Self-employment tax. Attach Schedule SE .....		58	
		59 Unreported social security and Medicare tax from: a <input type="checkbox"/> Form 4137 b <input type="checkbox"/> Form 8919 .....		59	
		60 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required .....		60	
		61 Advance earned income credit payments from Form(s) W-2, box 9 .....		61	
		62 Household employment taxes. Attach Schedule H .....		62	
		63 Add lines 57-62. This is your total tax .....		63	0.
Refund		64 Federal income tax withheld from Forms W-2 and 1099 .....		64	
Direct deposit? See instructions and fill in 74b, 74c, and 74d or Form 8888.		65 2007 estimated tax payments and amount applied from 2006 return .....		65	
		66a Earned income credit (EIC). b Nontaxable combat pay election .....		66a	
		67 Excess social security and tier 1 RRTA tax withheld (see instructions) .....		67	
		68 Additional child tax credit. Attach Form 8812 .....		68	
		69 Amount paid with request for extension to file (see instructions) .....		69	
		70 Payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885 .....		70	
		71 Refundable credit for prior year minimum tax from Form 8801, line 27 .....		71	
		72 Add lines 64, 65, 66a, and 67 through 71. These are your total payments .....		72	
Amount You Owe		73 If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid .....		73	
		74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here ► <input type="checkbox"/> b Routing number ..... XXXXXXXXX c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings d Account number ..... XXXXXXXXXXXXXXXXXXXX		74a	
		75 Amount of line 73 you want applied to your 2008 estimated tax .....		75	
		76 Amount you owe. Subtract line 72 from line 63. For details on how to pay, see instructions .....		76	0.
Third Party Designee		77 Estimated tax penalty (see instructions) .....		77	
Sign Here Joint return? See instructions. Keep a copy for your records.		Do you want to allow another person to discuss this return with the IRS (see instructions)? ..... <input checked="" type="checkbox"/> Yes. Complete the following. Designee's name ► Preparer Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			<input type="checkbox"/> No Phone no. ► Personal identification number (PIN) ►
		Your signature ► Neal A. Hausam		Date 7/1/08	Your occupation Restaurant owner Daytime phone number
		Spouse's signature. If a joint return, both must sign. ►		Date /	Spouse's occupation
Paid Preparer's Use Only		Preparer's signature ► Donald C. Vanlaw		Date 07/11/2008 Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
		Firm's name (or yours if self-employed, address, and zip code) ► Vanlaw, PC Certified Public Accountant		ENR 03-1297-605	
		4035 12th St. Cutoff SE Suite 210		IR 97310-1054	PLS 303-5954
		Salem			

SCHEDULE A  
(Form 1040)

## Itemized Deductions

Department of the Treasury  
Internal Revenue Service

Name(s) shown on Form 1040

► Attach to Form 1040.  
► See Instructions for Schedule A (Form 1040).

DVB No. 1545-0074

2007

Attachment  
Sequence No. 07

Your social security number

8275

Neal A Hausam

Medical  
and  
Dental  
Expenses

Caution. Do not include expenses reimbursed or paid by others.

1	Medical and dental expenses (see instructions) .....	1	12,516.
2	Enter amount from Form 1040, line 38 .....	2	-66,331.
3	Multiply line 2 by 7.5% (.075) .....	3	0.
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- .....	4	12,516.

Taxes You  
Paid(See  
instructions.)

5	State and local (check only one box):	5	
a	<input type="checkbox"/> Income taxes, or	6	
b	<input checked="" type="checkbox"/> General sales taxes.	7	5,278.
6	Real estate taxes (see instructions) .....	8	810.
7	Personal property taxes .....		
8	Other taxes. List type and amount ►		

Interest  
You PaidNote.  
Personal  
interest  
is not  
deductible.

9	Add lines 5 through 8 .....	9	6,088.
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- 10 Home mtg interest and points reported to you on Form 1098 .....
- 11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ►

Gifts to  
Charity  
  
If you made  
a gift and  
got a benefit  
for it, see  
instructions.

10	Home mtg interest and points reported to you on Form 1098 .....	10	15,261.
11	Points not reported to you on Form 1098. See instrs for spcl rules .....	11	
12	Qualified mortgage insurance premiums (see instructions) .....	12	25.
13	Investment interest. Attach Form 4952 if required. (See instrs.) .....	13	
14	Add lines 10 through 14 .....	14	

Casualty and  
Theft Losses(See  
instructions.)

15	Add lines 10 through 14 .....	15	15,286.
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Other  
Miscellaneous  
DeductionsTotal  
Itemized  
Deductions

16	Gifts by cash or check. If you made any gift of \$250 or more, see instrs .....	16	
17	Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500 .....	17	
18	Carryover from prior year .....	18	412.
19	Add lines 16 through 18 .....	19	Limited

20	Casualty or theft loss(es). Attach Form 4684. (See instructions.) .....	20	0.
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21	Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ►	21	
22	Tax preparation fees .....	22	4,399.
23	Other expenses — investment, safe deposit box, etc. List type and amount ►	23	45.
24	Add lines 21 through 23 .....	24	4,444.

25	Enter amount from Form 1040, line 38 .....	25	-66,331.
26	Multiply line 25 by 2% (.02) .....	26	0.
27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0- .....	27	
28	Other — from list in the instructions. List type and amount ►	28	4,444.

29	Is Form 1040, line 38, over \$156,400 (over \$78,200 if married filing separately)?	29	
<input checked="" type="checkbox"/>	No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40.		
<input type="checkbox"/>	Yes. Your deduction may be limited. See instructions for the amount to enter.		
30	If you elect to itemize deductions even though they are less than your standard deduction, check here ►	30	38,334.

Schedule A Misc Itemized Deductions Statement  
Lines 21, 23, 26  
In Addition to return after a PS Form

2007  
Statement

Name(s) Shown on Return

Neal A Hausam

Social Security Number  
██████████-8275

## Employee Business Expenses – Subject to 2% Limitation

1	Unreimbursed employee expenses from Form 2106 .....	1	
2	Excluded expenses from Form 2555 .....	2	
3a	Qualified Educator Expenses (from Educator Expenses Worksheet) .....	3a	
b	Above the line Educator Expenses: (from Form 1040, line 23) .....	3b	
c	Excess Educator Expenses (line 3a less line 3b) .....	3c	
4	Union and professional dues .....	4	
5	Professional subscriptions .....	5	
6	Uniforms and protective clothing .....	6	
7	Job search costs .....	7	
8	Other:	8	
9	Total unreimbursed employee business expenses (combine lines 1 - 8) .....	9	

## Miscellaneous Expenses – Subject to 2% Limitation

Investment  
Expense ↓

10	Depreciation and amortization deductions .....	10	
11	Casualty/theft losses of property used in services as an employee .....	11	
12	REMIC expenses, from Schedule E .....	12	
13	Investment expenses related to interest and dividend income .....	13	
14	Deductions related to portfolio income, miscellaneous deductions, and excess deductions on termination, from Schedule(s) K-1 .....	14	
15	Miscellaneous deductions excluded on Form 2555 .....	15	
16	Investment counsel and advisory fees .....	16	
17	Certain attorney and accounting fees .....	17	
18	Safe deposit box rental fees .....	18	
19	IRA custodial fees .....	19	45.
20	Loss incurred from total distribution of all traditional IRAs .....	20	
21	Loss incurred from total distribution of all Roth IRAs .....	21	
22	Other:	22	
23	Total miscellaneous expenses (combine lines 10 through 22) .....	23	45.

## Other Miscellaneous Deductions – Not Subject to 2% Limitation

24	Deductions related to portfolio income, from Schedule(s) K-1 .....	24	
25	Federal estate tax paid on decedent's income reported on this return .....	25	
26	Miscellaneous deductions excluded on Form 2555 .....	26	
27	Impairment-related expenses of a handicapped employee, from Form 2106 .....	27	
28	Amortizable bond premiums on bonds acquired before 10/23/86 .....	28	
29	Gambling losses (to the extent of gambling income) .....	29	
30	Casualty/theft losses of income-producing property .....	30	
31	Other miscellaneous deductions:	31	
32	Total other miscellaneous deductions (combine lines 24 through 31) .....	32	



## SCHEDULE C

(Form 1040)

Profit or Loss From Business  
(Sole Proprietorship)

OMB No. 1345-0074

Department of the Treasury  
Internal Revenue Service (99)Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.  
Attach to Form 1040, 1040NR, or 1041. See Instructions for Schedule C (Form 1040).2007  
Attachment Sequence No. 09

Name of proprietor

Neal A Hausam

A Principal business or profession, including product or service (see instructions)

Fishing Guide

C Business name. If no separate business name, leave blank.

Sunfish Belle

E Business address (including suite or room no.)  
City, town or post office, state, and ZIP code

2054 Mousebird Ave. NW

Salem, OR 97304

Social security number (SSN)

8275

B Enter code from instructions

114110

D Employer ID number (EIN), if any

F Accounting method: (1)  Cash (2)  Accrual (3)  Other (specify) ►G Did you 'materially participate' in the operation of this business during 2007? If 'No,' see instructions for limit on losses..  Yes  NoH If you started or acquired this business during 2007, check here. 

## Part I Income

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here .....	► <input type="checkbox"/>	1	
2 Returns and allowances .....		2	500.
3 Subtract line 2 from line 1 .....		3	-500.
4 Cost of goods sold (from line 42 on page 2).....		4	40.
5 Gross profit. Subtract line 4 from line 3.....		5	-540.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions).....		6	
7 Gross income. Add lines 5 and 6.....	► <input type="checkbox"/>	7	-540.

## Part II Expenses

8 Advertising.....	8	18 Office expense .....	18
9 Car and truck expenses (see instructions).....	9	19 Pension and profit-sharing plans	19
10 Commissions and fees.....	10	20 Rent or lease (see instructions):	
11 Contract labor (see instructions).....	11	a Vehicles, machinery, and equipment.....	20a 45.
12 Depletion .....	12	b Other business property.....	20b
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions) .....	13	21 Repairs and maintenance .....	21 1,027.
14 Employee benefit programs (other than on line 19) .....	14	22 Supplies (not included in Part III) .....	22
15 Insurance (other than health)....	15	23 Taxes and licenses .....	23 97.
16 Interest:		24 Travel, meals, and entertainment:	
a Mortgage (paid to banks, etc) .....	16a	a Travel .....	24a 676.
b Other .....	16b	b Deductible meals and entertainment (see instructions) .....	24b 163.
17 Legal & professional services... 28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.....	17 30.	25 Utilities .....	25
		26 Wages (less employment credits) .....	26
29 Tentative profit (loss). Subtract line 28 from line 7.....		27 Other expenses (from line 48 on page 2) .....	27
30 Expenses for business use of your home. Attach Form 8829.....			
31 Net profit or (loss). Subtract line 30 from line 29.			
• If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2 or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.			
• If a loss, you must go to line 32.			
32 If you have a loss, check the box that describes your investment in this activity (see instructions).			
• If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.			
• If you checked 32b, you must attach Form 6198. Your loss may be limited.			
BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.			

32 a  All investment is at risk.32 b  Some investment is not at risk.

Schedule C (Form 1040) 2007

Schedule C (Form 1040) 2007 Part A Hausam

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Part III	Cost of Goods Sold (see instructions)	
33	Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation.....	35
36	Purchases less cost of items withdrawn for personal use.....	36 40
37	Cost of labor. Do not include any amounts paid to yourself.....	37
38	Materials and supplies.....	38
39	Other costs .....	39
40	Add lines 35 through 39.....	40 40
41	Inventory at end of year .....	41
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4.....	42 40

**Part IV** Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43	When did you place your vehicle in service for business purposes? (month, day, year)	
44	Of the total number of miles you drove your vehicle during 2007, enter the number of miles you used your vehicle for: a Business _____ b Commuting (see instructions) _____ c Other _____	
45	Do you (or your spouse) have another vehicle available for personal use?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
46	Was your vehicle available for personal use during off-duty hours?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
47a	Do you have evidence to support your deduction?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If 'Yes,' is the evidence written?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part V** Other Expenses. List below business expenses not included on lines 8-26 or line 30.

48	Total other expenses. Enter here and on page 1, line 27.....	48
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SCHEDULE C  
(Form 1040)Profit or Loss From Business  
(Sole Proprietorship)

OMB No. 1345-0395

Department of the Treasury  
Internal Revenue Service (99) ➤ Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.  
Name of proprietor

2007

Attachment  
Sequence No. 09

➤ Attach to Form 1040, 1040NR, or 1041. ➤ See Instructions for Schedule C (Form 1040).

A Principal business or profession, including product or service (see instructions)

Social security number (SSN)  
██████████-8275B Enter code from instructions  
➤ 722110

C Business name. If no separate business name, leave blank.

D Employer ID number (EIN), if any

E Business address (including suite or room no.) ➤ 510 S Trade St.

City, town or post office, state, and ZIP code Amity, OR 97101

F Accounting method: (1)  Cash (2)  Accrual (3)  Other (specify) ➤G Did you 'materially participate' in the operation of this business during 2007? If 'No,' see instructions for limit on losses.  Yes  NoH If you started or acquired this business during 2007, check here **Part I Income**

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here	➤ <input type="checkbox"/>	1	
2 Returns and allowances		2	
3 Subtract line 2 from line 1		3	
4 Cost of goods sold (from line 42 on page 2)		4	8,587.
5 Gross profit. Subtract line 4 from line 3		5	-8,587.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		6	
7 Gross income. Add lines 5 and 6	➤ <input type="checkbox"/>	7	-8,587.

**Part II Expenses** Enter expenses for business use of your home only on line 30.

8 Advertising	8	18 Office expense	18	195.
9 Car and truck expenses (see instructions)	9	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10	20 Rent or lease (see instructions):	20	
11 Contract labor (see instructions)	11	a Vehicles, machinery, and equipment	20a	1,236.
12 Depletion	12	b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	21 Repairs and maintenance	21	1,042.
14 Employee benefit programs (other than on line 19)	14	22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	23 Taxes and licenses	23	50.
16 Interest:		24 Travel, meals, and entertainment:	24	
a Mortgage (paid to banks, etc)	16a	a Travel	24a	782.
b Other	16b	b Deductible meals and entertainment (see instructions)	24b	
17 Legal & professional services	17	25 Utilities	25	2,122.
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns	2,535.	26		
		27	3,568.	

28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns ➤ 29 Tentative profit (loss). Subtract line 28 from line 7 ➤ 30 Expenses for business use of your home. Attach Form 8829 ➤ 31 Net profit or (loss). Subtract line 30 from line 29 ➤ 

• If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2 or on Form

1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3 ➤ • If a loss, you must go to line 32 ➤ 32 If you have a loss, check the box that describes your investment in this activity (see instructions) ➤ 

• If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form

1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3 ➤ • If you checked 32b, you must attach Form 5798. Your loss may be limited ➤ BAA For Paperwork Reduction Act Notice, see Form 1040 instructions ➤ 32 a  All investment is at risk.32 b  Some investment is not at risk.

Schedule C (Form 1040) 2007

Schedule C (Form 1040) 2007 Real A. Hausam.

**Part III: Cost of Goods Sold (see instructions)**

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Page 2

33 Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation.....	35
36 Purchases less cost of items withdrawn for personal use.....	36 533.
37 Cost of labor. Do not include any amounts paid to yourself.....	37 8,054.
38 Materials and supplies.....	38
39 Other costs.....	39
40 Add lines 35 through 39.....	40 8,587.
41 Inventory at end of year .....	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4.....	42 8,587.

**Part IV: Information on Your Vehicle**

Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year)	
44 Of the total number of miles you drove your vehicle during 2007, enter the number of miles you used your vehicle for: SEE STMT a Business _____ b Commuting (see instructions) _____ c Other _____	
45 Do you (or your spouse) have another vehicle available for personal use?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
46 Was your vehicle available for personal use during off-duty hours?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
47 a Do you have evidence to support your deduction?  b If 'Yes,' is the evidence written?	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part V: Other Expenses**

Other Expenses. List below business expenses not included on lines 8-26 or line 30.

 Yes  No

Telephone	
Bank fees	342.
Uniforms	1,953.
Dish TV	205.
Heat Pump AC	278.
Global Security	400.
	390.
48 Total other expenses. Enter here and on page 1, line 27.....	48 3,368.

Schedule C (Form 1040) 2007

## SCHEDULE D

(Form 1040)

Department of the Treasury  
Internal Revenue Service

Name(s) shown on return

Neal A Hausam

## Capital Gains and Losses

OMB No. 1545-0374

2007

Attachment  
Sequence No. 12Your social security number  
[REDACTED] - 8275

Attach to Form 1040 or Form 1040NR. - See Instructions for Schedule D (Form 1040).  
 Use Schedule D-1 to list additional transactions for lines 1 and 2.

## Part I Short-Term Capital Gains and Losses — Assets Held One Year or Less

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1 Loan			1,000.	2,500.	-1,500.
2 Enter your short-term totals, if any, from Schedule D-1, line 2...	2				
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d).....	3		1,000.		
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824 .....				4	
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1.....				5	
6 Short-term capital loss carryover. Enter the amount, if any, from line 10 of your Capital Loss Carryover Worksheet in the instructions .....				6	
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f).....				7	-1,500.

## Part II Long-Term Capital Gains and Losses — Assets Held More Than One Year

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
8					
9 Enter your long-term totals, if any, from Schedule D-1, line 9....	9				
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d).....	10				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824 .....				11	6,529.
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1.....				12	
13 Capital gain distributions. See instrs .....				13	
14 Long-term capital loss carryover. Enter the amount, if any, from line 15 of your Capital Loss Carryover Worksheet in the instructions .....				14	
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2.....				15	6,529.

BAA For Paperwork Reduction Act Notice, see Form 1040 or Form 1040NR instructions.

Schedule D (Form 1040) 2007

## Part III: Summary

B275

Page 2

16 Combine lines 7 and 15 and enter the result .....	16	5,029.
If line 16 is:		
<ul style="list-style-type: none"> <li>• A gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.</li> <li>• A loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.</li> <li>• Zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.</li> </ul>		
17 Are lines 15 and 16 both gains?	<input checked="" type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.	
18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions .....	18	
19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions .....	19	
20 Are lines 18 and 19 both zero or blank?	<input checked="" type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040 (or in the Instructions for Form 1040NR). Do not complete lines 21 and 22 below. <input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.	
21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:	<ul style="list-style-type: none"> <li>• The loss on line 16 or</li> <li>• (\$3,000), or if married filing separately, (\$1,500)</li> </ul>	
<p>Note. When figuring which amount is smaller, treat both amounts as positive numbers.</p>		
22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?	<input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040 (or in the Instructions for Form 1040NR). <input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.	

Schedule D (Form 1040) 2007

## SCHEDULE E

(Form 1040)

Department of the Treasury  
Internal Revenue Service

Name(s) shown on return

Neal A Hausam

**Supplemental Income and Loss**  
 (From rental real estate, royalties, partnerships,  
 S corporations, estates, trusts, REMICs, etc)  
 - Attach to Form 1040, 1040NR, or Form 1041.  
 - See Instructions for Schedule E (Form 1040).

OMB No. 1545-0001

**2007**Attachment  
Sequence No. 13Your social security number  
[REDACTED] - 8275
**Part I** Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1 List the type and location of each rental real estate property:

A Rental

Amity Fare

B [REDACTED]

C [REDACTED]

- 2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:
- 14 days, or
  - 10% of the total days rented at fair rental value?
- (See instructions.)

	Yes	No
A	X	
B		
C		

## Income:

	Properties			Totals (Add columns A, B, and C.)
	A	B	C	
3 Rents received .....	3 9,000.			3 9,000.
4 Royalties received .....	4			4

## Expenses:

5 Advertising.....	5			
6 Auto and travel (see instructions).....	6			
7 Cleaning and maintenance .....	7			
8 Commissions .....	8			
9 Insurance .....	9			
10 Legal and other professional fees.....	10			
11 Management fees .....	11			
12 Mortgage interest paid to banks, etc (see instructions).....	12			
13 Other interest .....	13			
14 Repairs .....	14			
15 Supplies .....	15			
16 Taxes .....	16			
17 Utilities .....	17			
18 Other (list) ►	18			
19 Add lines 5 through 18.....	19			
20 Depreciation expense or depletion (see instructions) .....	20			
21 Total expenses. Add lines 19 and 20... .	21	17,813.		
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198 .....	22	17,813.		
23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2 .....	23	-8,813.		
24 Income. Add positive amounts shown on line 22. Do not include any losses.....	24			
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here.....	25			
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 4 on page 2 .....	26			

Form 4797

Department of the Treasury  
Internal Revenue Service (99)

**Sales of Business Property**  
 (Also Involuntary Conversions and Recapture Amounts  
 Under Sections 179 and 280F(b)(2))  
 ▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1342-0184

**2007**Attachment  
Sequence No. 27Name(s) shown on return  
**Neal A Hausam**

Identifying number

8275

- 1 Enter the gross proceeds from sales or exchanges reported to you for 2007 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions). . . . .

1

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft — Most Property Held More Than 1 Year (see instructions)**

2

(a) Description of property	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
3 Gain, if any, from Form 4684, line 39. . . . .					3	
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37. . . . .					4	6,529.
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824. . . . .					5	
6 Gain, if any, from line 32, from other than casualty or theft. . . . .					6	
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows. Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.					7	6,529.
Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.					8	
8 Nonrecaptured net section 1231 losses from prior years (see instructions). . . . .					9	
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions). . . . .						

**Part II Ordinary Gains and Losses (see instructions)**

- 10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11 Loss, if any, from line 7. . . . .						11
12 Gain, if any, from line 7 or amount from line 8, if applicable. . . . .						12
13 Gain, if any, from line 31. . . . .						13
14 Net gain or (loss) from Form 4684, lines 31 and 38a. . . . .						14
15 Ordinary gain from installment sales from Form 6252, line 25 or 36. . . . .						15
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824. . . . .						16
17 Combine lines 10 through 16. . . . .						17
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:						
a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from 'Form 4797, line 18a.' See instructions . . . . .						18a
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14. . . . .						18b

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 4797 (2007)

-6252

### Installment Sale Income

Department of the Treasury  
Internal Revenue Service

- Attach to your tax return.  
► Use a separate form for each sale or other disposition of  
property on the installment method.

2023 Dec. 15 00:02:23

2007

Attachment  
Sequence No. 79

### Identifying numbers

-8275

- |  |   |
|--|---|
| 1 Description of property - <u>Restaurant business</u>   | Identifying number<br>-8275   |
| 2a Date acquired (month, day, year) > <u>01/01/2003</u>  | b Date sold (month, day, year) > <u>12/29/2006</u>                  |
| 3 Was the property sold to a related party (see instructions) after May 14, 1980? If 'No,' skip line 4.  |   |
| 4 Was the property you sold to a related party a marketable security? If 'Yes,' complete Part III. If 'No,'<br>complete Part II for the year of sale and the 2 years after the year of sale. |   |
| Part II Gross Profit and Contract Price. Complete this part for the year of sale only.   |   |
| 5 Selling price including excise tax   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

Part II Gross Profit and Contract Price. Complete this part for the year of sale only.		<input type="checkbox"/> Yes	<input type="checkbox"/> No
5	Selling price including mortgages and other debts. Do not include interest whether stated or unstated	6	5
6	Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions)	7	
7	Subtract line 6 from line 5	8	
8	Cost or other basis of property sold	9	
9	Depreciation allowed or allowable	10	
10	Adjusted basis. Subtract line 9 from line 8	11	
11	Commissions and other expenses of sale	12	
12	Income recapture from Form 4797, Part III (see instructions)	13	
13	Add lines 10, 11, and 12	14	
14	Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions)	15	
15	If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0-	16	
16	Gross profit. Subtract line 15 from line 14	17	
17	Subtract line 13 from line 6. If zero or less, enter -0-	18	
18	Contract price. Add line 7 and line 17		

**Installment Sale Income.** Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

- |   |  |  |    |        |
|---|--|--|----|--------|
| 19 Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions .....         |  |  | 19 | 0.9924 |
| 20 If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-.....                                |  |  | 20 |        |
| 21 Payments received during year (see instructions). Do not include interest, whether stated or unstated .....          |  |  | 21 | 6,579. |
| 22 Add lines 20 and 21 .....  |  |  | 22 | 6,579. |
| 23 Payments received in prior years (see instructions). Do not include interest, whether stated or unstated.....        |  |  |    |        |
| 24 Installment sale income. Multiply line 22 by line 19.....  |  |  | 24 | 6,529. |
| 25 Enter the part of line 24 that is ordinary income under the recapture rules (see instructions).....                  |  |  | 25 |        |
| 26 Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions).....                     |  |  | 26 | 6,529. |
| <b>Part III Related Party Installment Sale Income.</b> Do not complete if you received the final payment this tax year. |  |  |    |        |
| 27 Name, address, and taxpayer identifying number of related party.....   |  |  |    |        |

**Part III** Related Party Installment Sale Income. Do not complete if you did not file Form 4797 (see instructions). ..... 25  
27 Name \_\_\_\_\_ 26 \_\_\_\_\_ 6,529

- |    |   |  |
|----|---|--|
| 27 | Name, address, and taxpayer identifying number of related party   | 6,529.   |
| 28 | Did the related party resell or dispose of the property ('second disposition') during this tax year? .....  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 29 | If the answer to question 28 is 'Yes,' complete lines 30 through 37 below unless one of the following conditions is met.<br>Check the box that applies.   |  |
| a  | <input type="checkbox"/> The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year).....                 |  |
| b  | <input type="checkbox"/> The first disposition was a sale or exchange of stock to the issuing corporation.  |  |
| c  | <input type="checkbox"/> The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.  |  |
| d  | <input type="checkbox"/> The second disposition occurred after the death of the original seller or buyer.   |  |
| e  | <input type="checkbox"/> It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions). |  |
| 30 | Selling price of property sold by related party (see instructions).....   | 30   |
| 31 | Enter contract price from line 18 for year of first sale.....   | 31   |
| 32 | Enter the smaller of line 30 or line 31.....  | 32   |
| 33 | Total payments received by the end of your 2007 tax year (see instructions).....  | 33   |
| 34 | Subtract line 33 from line 32. If zero or less, enter -0-.....  | 34   |
| 35 | Multiply line 34 by the gross profit percentage on line 19 for year of first sale.....  | 35   |
| 36 | Enter the part of line 35 that is ordinary income under the recapture rules (see instructions).....   | 36   |
| 37 | Subtract line 36 from line 35. Enter here and on Schedule C or Form 4797 (see instructions).....  | 37   |

Schedule C  
Part IVMultiple Auto Statement  
Attach to return (after all IRS forms)2007  
Statement

Name(s) of Proprietor

Neal A Hausam

Principal Business or Profession

RestaurantSocial Security No  
        -8275

Date placed in service .....  
 Business miles .....  
 Commuting miles .....  
 Other personal miles .....

	Vehicle 1		Vehicle 2		Vehicle 3		Vehicle 4		Vehicle 5	
	Yes	No								
10/20/02			01/01/01							
12,000			400							
3,110			182							

Is another vehicle available for personal use? .....  
 Was the vehicle available for personal use during off-duty hours? .....  
 Do you have evidence to support your deduction? .....  
 If 'Yes,' is the evidence written? .....

	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>							
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>							
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>							
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>							

Date placed in service .....  
 Business miles .....  
 Commuting miles .....  
 Other personal miles .....

	Vehicle 6		Vehicle 7		Vehicle 8		Vehicle 9		Vehicle 10	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No

Is another vehicle available for personal use? .....  
 Was the vehicle available for personal use during off-duty hours? .....  
 Do you have evidence to support your deduction? .....  
 If 'Yes,' is the evidence written? .....

|                          | Yes                      | No                       |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |